

STATEMENT OF LAWSON B. KNOTT, JR.
ACTING ADMINISTRATOR OF GENERAL SERVICES
BEFORE THE GOVERNMENT ACTIVITIES SUBCOMMITTEE
OF THE
HOUSE COMMITTEE ON GOVERNMENT OPERATIONS
CONCERNING H. R. 4845

Mr. Chairman and Members of the Subcommittee:

It is a pleasure to appear before you for the purpose of expressing the views of the General Services Administration on H.R. 4845, a bill "To provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies."

This legislation would add a new section 111 to Title I of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, so as to authorize the Administrator of General Services to coordinate and provide for the economic and efficient purchase, lease, and maintenance of automatic data processing equipment by, or at the expense of, Federal agencies. The proposed new section 111 would authorize the establishment of a revolving fund which would be available without fiscal year limitation for the necessary financing purposes. Original capitalization of the fund would be by appropriation and transfer of assets. The fund would be reimbursed through user charges for services rendered or equipment provided through the fund. Further, the proposed new section would authorize the Secretary of Commerce to (1) provide Federal agencies, and the Administrator of General Services, with scientific and technological advisory services relating to ADP equipment, (2) make appropriate recommendations to the President relating to the establishment of uniform Federal ADP standards, and (3)

undertake the necessary research in the sciences and technologies of automatic data processing computer and related systems. Finally, the proposed legislation would provide that the authority conferred upon the Administrator of General Services and the Secretary of Commerce thereby shall be exercised subject to direction by the President and to fiscal and policy control exercised by the Bureau of the Budget.

H.R. 4845 would implement those recommendations which were previously made by this Subcommittee and concurred in by the House Committee on Government Operations, as well as recommendations of the Comptroller General of the United States, regarding Federal acquisition and utilization of automatic data processing equipment.

We share the view of the Bureau of the Budget, as stated in its letter of March 11, 1965, to the Chairman of the House Committee on Government Operations, that the enactment of H.R. 4845 would assist materially in carrying out the policies and suggestions for improving the acquisition and utilization of electronic computers in Government, recently approved by the President and transmitted by him to the Congress on March 2, 1965. H.R. 4845 would enable actions to be taken to bring about the successful resolution of current and future problems occasioned by the use of computers in the Federal Government. These actions include establishment of equipment pools, data processing service centers, and sharing exchanges, the development of Federal standards for ADP equipment, and research in computer sciences and technologies to enhance the knowledge of the appropriate personnel in all Federal agencies. Furthermore,

enactment of the proposed legislation would: (1) provide an expression of congressional policy on the acquisition and utilization of automatic data processing equipment, (2) give specific direction to the Bureau of the Budget, the Department of Commerce and the General Services Administration within their present areas of assigned responsibilities to take necessary action to assure the most economic and effective use of ADP equipment.

The enactment of H.R. 4845 also would enable those agencies mentioned above which are assigned central responsibilities under the bill, in cooperation with all executive agencies to develop and employ an aggressive and much needed program for such things as:

1. Assuring that the Government realizes economies available to it through purchasing and leasing of ADP equipment based on consideration of the Government's total requirements rather than considering each individual agency's requirements separately.
2. Assuring that idle ADPE time available on equipment of other agencies is utilized before additional equipment is purchased or leased;
3. Making excess Government-owned and leased equipment a primary source of supply;
4. Assuring that leases are not terminated until it is determined that, first, the Government would not benefit through assignment of the lease or equity to other agencies needing the same equipment, and, second, that the Government's equity under any purchase options is fully considered;

5. Reviewing proposed disposals to assure that "trade-in" of equipment would not be more advantageous to the Government from the standpoint of economy;
6. Establishing Government Sharing Exchanges and Data Processing Centers to service several agencies to avoid unnecessary expenditures for sites, equipment, staffing and related expenses;
7. Providing for maximum exchange of "know-how" between Government agencies to avoid duplication of effort. This includes the dissemination and exchange of technical information on equipment, procedures, systems design techniques, equipment management, and production standards for ADP personnel; and
8. Assuring that the total Government requirements for ADP equipment are fully brought to bear, as to price, terms, and compatibility, in negotiating contracts with computer manufacturers for purchase, lease or other arrangements.

The Committee is well aware of the fact that the use of automatic data processing equipment in Government has grown phenomenally during the past 13 years. In 1954 there were only 10 computers in use by the Federal Government. By the end of 1964, the usage had increased to 1,767. The current estimate is that there will be 2,150 computers in Federal use by the end of fiscal year 1966. In 1964 Federal agencies spent \$1.1 billion for the purchase, rental and operation of data processing equipment of all types for use by 2,068 organizational units within

basis by 1970, the number of computer systems and annual costs in connection therewith will triple. The coming generation of new solid state computers having several times greater capacity and speed at only a slight increase in cost unquestionably will require increased pooling of equipment both within agencies and between agencies and thus will foster the establishment of equipment pools and data processing centers. The Federal Government must make proper use of this new and powerful technology in solving the many and complex problems of the future.

Properly managed and utilized, automatic data processing equipment and its allied communications flow will enable improvements in the present patterns of organization and work in the Government particularly in the management area of decision making and will result in substantial overall economies. The attainment of maximum benefits to the Federal Government over the long run in the use and utilization of automatic data processing equipment will require the utmost collaboration among all agencies, and this proposed legislation provides a framework for achieving the necessary coordination.

In view of the foregoing, Mr. Chairman, there is a clear need for enactment of legislation which would assist in improving the acquisition and utilization of ADP equipment in Government. General Services Administration is pleased to endorse your bill, H. R. 4845, and recommends early and favorable consideration of it by the Congress.

This concludes my prepared statement, how ever, if you or members of your Subcommittee have any questions you may wish to ask, we shall endeavor to answer them at this time or furnish the desired information for the record.

Do not have authority
Do not object to "improvement" but don't like it.
pass any amendment
to the bill
and on down
never interfere with program requirements
have no authority now has